Green Deal Watch

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Reaching Compromise

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About the Green Deal Watch

The "Green Deal Watch" was launched in 2020 by the Istituto Affari Internazionali (IAI) with the support of Edison. The aim of the project is to follow the evolution of the ambitious and cross-cutting "European Green Deal" strategy towards climate neutrality launched by the Von der Leyen Commission in December 2019. The "Green Deal Watch" follows the "Energy Union Watch" that IAI has published from 2015 to 2019 to monitor the evolution of the energy and climate policies under the previous legislature. The multiple ramifications of the Green Deal will now be read along four dimensions – 'driving the green deal', 'greening industry', 'supporting the transformation', 'strengthening security and diplomacy'. IAI will cover the debate among national and European stakeholders and report the key dynamics in order to help the reader better navigate the challenges and opportunities of the implementation of the European Green Deal (EGD). The Watch is produced on a quarterly basis, collecting official documents, public information and open source data, which are processed and analysed by the IAI team.

About IAI

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation, focusing on topics such as European integration, security and defence, energy and climate policies, as well as key regions such as the Mediterranean, the Middle East, Asia, Eurasia, Africa and the Americas. The IAI publishes an English-language quarterly (The International Spectator), an online webzine (AffarInternazionali), two book series (Quaderni IAI and IAI Research Studies) and other paper series related to IAI research projects.

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With the support of Edison

About this report

This is the fourth issue of the Green Deal Watch, a quarterly report produced by the Istituto Affari Internazionali (IAI) with the support of Edison. This publication aims at monitoring and analysing the initiatives launched by the European Commission and discussed by the EU institutions and Member States under the umbrella of the Green Deal.

This Green Deal Watch will cover the new, greater range of topics anticipated by Commission President Ursula von der Leyen to achieve climate neutrality by 2050. We present a general analytical Foreword at the beginning of each publication, followed by the in-depth monitoring of Green Deal activities, divided according to a breakdown revolving around a set of four dimensions, designed to match the guidelines so far expressed by the von der Leyen Commission.

These are:

- **Driving the Green Deal,** which will look at the macro areas of Energy and Transport. It will analyse the technological and policy evolution for renewables, sustainable mobility, and green gases and hydrogen, with a strong focus on the energy market (both for gas and electricity) and energy efficiency.

- **Greening industry,** which will observe and discuss the reconversion of industry and of energy-intensive sectors in particular, with specific attention to the role of digitalisation, the upscaling of new technologies, R&I&D (Research, Innovation and Deployment) and circularity.
- **Supporting the transformation,** which will focus on energy governance, EU financing and funds, the Just Transition Mechanism and the repositioning of institutions such as the European Investment Bank (EIB).
- **Strengthening security and diplomacy,** which will tackle energy diplomacy aspects with specific attention to the Mediterranean, Africa, Russia, Asia and the US, as well as climate security and diplomacy and the role of the EU as a leader in the fight against global warming.

These four dimensions are followed by an in-depth section, where we will cover different kinds of content in each issue. This time we look at the opinion of Christian Zinglersen, the Director of the European Union Agency for the Cooperation of Energy Regulators (ACER), in an interview published after the analysis of the four dimensions. A Roadmap of initiatives envisaged under the European Green Deal concludes this report.

This Green Deal Watch aims at providing continuity to the analysis produced in the 16 issues of the Energy Union Watch (available here), the quarterly publication IAI dedicated to the Juncker Commission, which covered the whole five years of activities.

Foreword

Reaching compromise

The EU is gearing up for the upcoming COP26 and is thus putting its house in order, speeding up a few developments, expanding its ambition and putting aside the most contested issues (for the time being). This willingness to bring results to the table emerged during the first months of the Portuguese Presidency which, above all, managed to finalise the fundamental Climate Law and the targets it contained. The presidency motto itself was quite self-explanatory, a meaningful "time to deliver: a fair, green and digital recovery". Nevertheless, it was the Commission that was in the front line of this process; having secured the Climate Law thanks to ambitious co-legislators, it speeded up thorny conversations, including the Carbon Border Adjustment Mechanism (CBAM). Internally, the lengthy negotiations needed for key topics, such as the green taxonomy, or the limited political appeal of a number of much needed measures, particularly energy efficiency, led to a decreased attention to such issues, which risk remaining in limbo possibly even until the end of 2022.

The agreement on the Climate Law was reached after a long night of negotiations on 21 April and was welcomed as a breakthrough by many. While the final law maintained the 55 per cent emission reduction target that had been proposed by member states – although MEPs insisted on a 60 per cent target – it did include many of the requests made by Parliament. This has made the reduction commitment more solid, as it includes a process for setting a 2040 climate target, a cap on reductions from land use, agriculture and forestry (which several member states, particularly from Northern Europe, had opposed) and the establishment of a scientific advisory board monitoring the alignment of EU policies with the targets. MEPs had to drop demands on fossil fuel subsidies in the Climate Law. Member states managed to maintain a target that is legally binding only on the European, and not the national, level. This is potentially a key weakness which, should the Commission lack the ability to balance the often-uncoordinated action of member states, could threaten the bloc's climate ambition.

Harmonising the policies and targets of European countries in the energy and climate sectors has indeed always been a tough job, and latest developments show that there is still significant room for improvement in this sense. As of early May, only 14 member states had presented their national plans and a few countries had already requested a postponement. Some, such as Romania, had done so due to a disagreement between the national and the EU interpretation on key issues, such as infrastructure for transport, agriculture and gas projects. Even among the already submitted plans, interpretations are varied and often misaligned between the different national and European visions. This applies to the share of green and digital projects, but also (and perhaps mostly) to the meaning of the "do not do significant harm" principle, the key concept behind the evaluation of the environmental sustainability of the plans. This is nothing new: already in March, Poland, Bulgaria and the Czech Republic opposed the limitations imposed by the principle, while countries such as Denmark pushed for even stricter restrictions, following a debate which had started already in the summer of 2020 and which likely also delayed the finalisation of the EU taxonomy.

A full, commonly agreed taxonomy would have likely prevented such a heterogeneity among plans, but reaching a more ambitious agreement in a short time and on delicate topics would perhaps have been impossible. The Commission did unveil a first set of rules on 21 April, following the publication of the draft delegated acts on 20 November 2020, but it left out some key topics: nuclear, gas and farming. Unexpectedly, the final taxonomy rules included bioenergy and forestry (which were originally excluded in a draft leaked a couple of days before publication of the final document). Bioenergy is considered "carbon neutral" and quite lax restrictions have been applied to forestry. This move is in line with Finnish and Swedish policies but is very likely to promote the use of pellets and firewood, which could be unsustainable for European climate and biodiversity protection ambitions. These half-defined taxonomy rules will prove of limited value for structuring the upcoming stream of investments and will deprive the Commission of a fundamental tool in the difficult harmonisation process it will face in the months to come. Furthermore, this taxonomy outcome confirms the ambiguous stance that the Commission still holds on gas, on its possible role as a bridge fuel and on its life expectancy in the future European energy mix. While the fact that gas is unlikely to have a long-term role has been stressed by VP Timmermans in his March Eurogas speech, it might still have a role in the short and medium term. The Commission is silently moving towards accepting natural gas generation in its hydrogen plans, a perspective confirmed also by MEPs in January and already by the European Council of the 10 and 11 December 2020 (as clearly stated by the Conclusions, which refer to natural gas a transition technology).

The Green Deal is clearly not only about energy, and the publication of the Adaptation Strategy and decisive action on the Biodiversity Strategy proved this. Both actions directly connect to the COP26 conversations. The Adaptation Strategy strengthens EU action in an area which will be central to COP26 and to which the Union has dedicated very little attention (and budget) in the past years, considering that the previous Strategy dated back to 2013. The urgency to publish something on the topic has however limited the ability of the Commission to deliver a truly ambitious strategy, as the document offers very little to work on. As a matter of fact, it contains no targets and no practical measures or tools, either on the domestic or on the international side (the latter would be key to reinforce the EU's climate leadership vis-à-vis developing countries). Concerning the Biodiversity Strategy, Europe is by contrast much more serious and aims at proposing a target of protecting 30 per cent of territories to the Conference of Parties to the Convention on Biological Diversity. A European success during the "other" COP to be held in 2021 (originally expected in May in China, and now to be held in October) would indeed reinforce the EU's position for COP26 in November.

This is indeed a key moment for

the EU's climate and environmental diplomacy. Europe has started to realign with the US on climate action. However, differences remain. Europe adopts a systematic, multi-sectorial and regulatory approach to reduce emissions (also aiming at influencing consumer behaviour), while the US focuses on private investments and technological innovation. This sort of "techno-optimism" raises concerns over the US ability to actually achieve the net-zero target promised by Biden, also considering the historic lack of legislation and policy tools in the country and the gaps left by the Trump administration and many before him. Other areas in which the two have often conflicted, such as the inclusion of international aviation in the European Emission Trading System, see signs of relative convergence between the EU and the US. Pressure is mounting on Biden to block Nord Stream 2. Actual issuance of sanctions on the countries involved in the project may deliver a dramatic blow to transatlantic relations. Collaboration between the EU and the US is fundamental to achieving success at COP26. The type of engagement with China needs to be discussed. The recent alignment of Brussels and Washington on sanctions against Beijing may somehow threaten the formation of a much-desired "climate club" and the boosting of decarbonisation in China – which is made harder by the quick post-pandemic recovery in China and the difficulties that the country is experiencing in phasing out coal (after promising results in the immediate aftermath of the Paris Agreement). The adoption of new decarbonisation targets in Asia, especially after the Climate Summit organised by President Biden, is an encouraging sign.

Additionally, much debate was sparked by the Carbon Border Adjustment Mechanism (CBAM). One year ago the idea was only debated in very general terms in Brussels, but a recent resolution by Parliament and growing conversations around the EU's enhanced climate ambition will result in a Commission-proposed initiative that, if successfully negotiated in the second half of 2021, could become effective already at the beginning of 2023. Discussions on potential pilot sectors to be subject to a CBAM are ongoing. In practice, the proposal could have complex interactions with the EU Emissions Trading System (ETS) and run into World Trade Organization rule compliance issues. While similar initiatives are to be considered by other countries including the US, a CBAM could lead to disputes with commercial partners.

Yet, the transition is proceeding quickly in Europe and increasingly ambitious measures must sustain it – an ETS expansion, for example, is now under discussion. In the meantime, wind power is booming in the EU and the growth of new markets partly makes up for the loss of the UK as a contributor to EU wind power production. Poland, known for the support that its decision-makers offer to coal, is benefitting from renewed attention by international investors to its wind sector. Thanks to pressure from European institutions and the growing returns on investment realised in wind, the country has enacted favourable legislation and could soon see the first offshore wind turbines on its long and still completely unexploited Baltic shore. Meanwhile, the EU is consolidating its position on batteries: a new round of 2.9 billion in investments has recently been approved by the Commission and warmly welcomed by VP Šefčovič, who has seen his vision on batteries gaining momentum since the launch of the Battery Alliance in November 2017 and the approval of a dedicated package of investments in December 2019.

In all these processes, a few sectors have been left out. This concerns not only the above-mentioned full approval of the taxonomy, but also energy efficiency, a fundamental yet largely neglected area in the EU energy and climate vision. The launch of the New Bauhaus cultural and technological initiative is part of the much-emphasised Renovation Wave, which has yet to bring practical results to the table, while other relevant measures are yet to be presented by the von der Leyen Commission. The President could repeat the mistake (made by her predecessor) of disregarding a cheap and effective decarbonisation solution which is perhaps penalised by the fact that is less spectacular and appealing from a PR perspective than other solutions.

Nevertheless, the outlook for energy and climate in Europe looks positive for the months to come, as green recovery plans are taking shape, key legislation is being finalised and the pandemic is slowly losing its grip on Europe following improvements in the vaccination campaign. It is now key for the EU to use its position to increase its global climate and energy leadership, cooperating while avoiding being overshadowed by Biden's America and losing further ground to China in developing countries. Africa should be at the core of the EU's external energy and climate action, at a time when the pandemic has slowed down the incredible electrification process that many countries, such as Kenya or Ethiopia, have carried forward in the past decade – and the EU's support could help restore such momentum. The Portuguese Presidency has already started talking about an "African Green Deal": considering the recovery challenges on that continent and the 2022 COP27, likely to be hosted in Africa, this is perhaps the time to put political weight behind this initiative.

Dimension 1

Driving the Green Deal

A boom in investments in two key sectors of the Green Deal – wind and batteries – improves the overall picture for the energy transition in the EU, thanks to a mix of growing trust by investors in the potential to realise significant returns in these technologies and renewed support by policy-makers. Energy efficiency, a fundamental yet insufficiently addressed area of intervention, is however still waiting for remarkable action by the von der Leyen team. The Renovation Wave is still in its early phase and the extent of its future impact is still unclear. Natural gas is again stimulating a heated debate concerning the future of the green taxonomy (discussed in Dimension 2). Gas is also discussed regarding its role for the production of hydrogen and for the possibility of accessing green labelling. In the last quarter, the Commission extended the debate to other sectors of the Green Deal, taking significant steps on biodiversity protection and, above all, launching its much-expected Adaptation Strategy.

At the core of the transition: batteries, wind and efficiency

At the end of January, the European Commission approved 2.9 billion euros worth of investments in batteries, as part of the European Battery Innovation project. Investments in batteries benefitted from their qualification as an Important Project of Common European Interest, thereby gaining an exemption from state aid rules. The investments came from 12 countries and are expected to trigger a threefold increase in private investments, including from major players such as FIAT and Volkswagen. This significant push comes at a time when the commercial maturity of wind energy is becoming increasingly evident: investments in the technology in Europe reached a record 26 billion euros in 2020, despite the pandemic slowdown, while technological developments (particularly in terms of new turbines with height above 250 meters) steadily advance. These advancements are especially pushing the Polish wind industry which, despite years of disregard by policy-makers in favour of coal, is now receiving relevant attention from international investors.

In January, the Commission also launched the first, design phase of the New Bauhaus initiative, a mixed social, architectural and technological proposal that is part of its Renovation Wave Strategy (published in November 2020). Despite the "soft power" appeal of the idea and the declared attention of the Commission on energy efficiency, the von der Leyen Commission has however yet to launch practical game-changing measures (ideally stemming from the November strategy), dedicated to a sector which has significantly lagged behind in the EU action of the past decade.

New and old molecules

The Commission has brought some additional clarification to the debate on natural gas – although maintaining a stance that many, particularly among the environmentalists, consider still highly ambivalent. While opening the March Eurogas conference, VP Timmermans underlined how the resource will only play "a marginal role" in the long run, clearly stressing the need for the industry to transform and diversify. Such a strong statement has however been quickly mitigated by a series of caveats concerning its role in the short and medium term. The taxonomy debate (discussed in detail in the next dimension) at some point considered the idea that rules could offer green labels to certain gas plants. Also, MEPs have recently voted a motion to include blue hydrogen (generated from gas) as a bridge to green hydrogen. The motion was passed in January and voted against by Green MEPs, who fear a possible lock-in effect of non-climate-neutral technologies, and opposed the "low-carbon hydrogen" definition that the Commission first proposed in 2020.

Beyond energy: The other side(s) of the Green Deal

The Commission's action in the last quarter has also touched other, non-energy-related sectors of the Green Deal, with a significant focus on climate change adaptation and biodiversity.

In February 2021, VP Timmermans unveiled the new EU Strategy on Adaptation to Climate Change, offering a much-expected update to the previous strategy dating back to 2013 and filling a gap on a topic which still receives less attention than mitigation. The document sheds light on the numerous and serious consequences of climate change that are already measurable and thus provides a data-driven approach, to be applied on the European and international level. The Strategy has however left many unsatisfied because of its lack of binding targets – which the European Parliament demanded when voting on the blueprint for the Strategy at the end of 2020. Despite touching key points, including social justice, the Strategy does not propose any practical measures, casting shadows on its future implementation and true impact.

The Commission has however made significant progress on its Biodiversity Strategy, released in May 2020. In preparation for the UN biodiversity summit, to be held in China in May, the Commission is now finalising a legislative proposal for the 30 per cent protection target contained in the Strategy – an ambitious objective which is urgently needed to tackle Europe's threatened biodiversity, but which only received support by 14 member states at the One Planet Summit of January 2021.

Dimension 2
Greening Industry

Although this is not investigated in-depth in this issue of the Green Deal Watch, it is worth emphasising that the Commission has just updated its Industrial Strategy – aiming at taking full account of the new post-pandemic circumstances and at enhancing the EU's much-debated strategic autonomy. The plan looks at ways to create transition pathways across relevant industrial ecosystems and to reduce dependencies and capacities in technological and industrial strategic areas. In these past months, as analysed below, a strong politisation over the green finance taxonomy pushed the Commission to postpone proposals for gas and nuclear (the two most contested issues) in a move to advance with the taxonomy details and make the Parliament and European member states politically accountable for such delay. Furthermore, as the EU's decarbonisation intentions get more serious, carbon pricing is increasingly debated both at the EU level and beyond its borders, and the carbon border adjustment mechanism (CBAM) is returning to centre stage.

What does green mean? Disputes over the EU taxonomy

Since late 2019 the Commission has been trying to lay down detailed technical criteria for what can be labelled as a "green" investment in the EU, but such exercise has proven difficult in these years because of fierce disagreements over the role of nuclear, gas, forestry and agriculture. In April, the European Commission unveiled a first batch of implementing rules under the taxonomy, incorporating 13 sectors including transport, energy, manufacturing, buildings and forestry. However, the decision on agriculture, gas and nuclear was delayed and will be dealt with separately by the end of the year. In particular, discussions have conveyed heterogenous views among stakeholders on the opportunity and extent to which gas-based energy technologies should be considered in the taxonomy as a potential facilitator to a switch from more polluting fossil fuels to renewables. As predictable, there is strong opposition among MS, on both gas and nuclear. France, Poland, the Czech Republic and other Eastern member states are in a dispute with Germany over the future of nuclear. Moreover, the criteria used for bioenergy and forestry in the taxonomy, strongly supported by Finland and Sweden, also sparked many protests across environmentalists, with some stakeholders suspending their participation in the European Commission's Sustainable Finance

Platform. The resulting delays have prevented Brussels from using the taxonomy as the basis for EU green bonds that will be issued for the recovery fund.

Debating the EU's carbon pricing ambitions

Around 45 per cent of EU greenhouse gas emissions are currently covered by the ETS. The Commission wants to extend the scheme into new sectors, namely buildings and transport. The inclusion of new sectors would be accompanied by a review of energy taxation and a CBAM, according to Commissioner Simson. President Von der Leyen recently confirmed such intention. However, the expansion of the ETS has been the subject of a heated debate within the EU executive, with VP Timmermans being particularly concerned by the impact of such choice in terms of hitting the poor disproportionately and pushing up fuel prices. At the time of writing, however, it is not clear whether the Commission will add buildings and transport to the current EU carbon market, or whether it would create a separate system – but the second option seems the most likely. A parallel discussion on the CBAM is taking place: it's clear that Europe's decarbonisation plans will impact industries and the EU is determined to act against distortion of competition and carbon-leakage. Once a remote possibility, the chances that a CBAM will be introduced have grown significantly in the last months. Its design, scope and potential pilot sectors, as well as its possible contribution to the financing of the EU budget, are the subject of growing discussions in Brussels. While the Commission's plan will only see the light in June, the Parliament, Commission and MS are indeed evaluating its potential impacts and compatibility with World Trade Organization rules. If on the one side the executive warns about the need to gradually phase-out free allowances in the ETS while introducing the CBAM, others (e.g., Poland) see the two as compatible. Outside the Union, many trading partners are speaking up to request further discussions on the EU levy: above all China (which has just launched its carbon trading system) and the US, although Russia might be amongst the most immediately impacted. In late April, US Climate Envoy Kerry expressed openness to similar tools, declaring that also the White House is exploring options for a border adjustment mechanism. In these months, however, many have been increasingly vocal in calling the EU levy a protectionist measure, including a number of Asian and African countries.

Dimension 3

Supporting the Transformation

Since it took over in January with the motto "time to deliver: a fair, green and digital recovery", the Portuguese Presidency has clarified that its first priority is a recovery leveraged by the climate and digital transitions. Among its main achievements thus far, the agreement by the Council and the Parliament on the new intermediate 55 per cent emission reduction pledge is the most important. In parallel, member states have been busy defining reforms and public investment projects to submit via their recovery and resilience plans: their choices deserve much attention as they will play a crucial role in the implementation of the EU 2030 vision. The complexity of long-term planning, however, means that many will postpone submission despite the 30 April deadline. These are also interesting times to observe the direction chosen by (and the support given to) coal-reliant regions under just transition schemes.

From political to legal: The European climate law is here

European Union negotiators reached a deal on the Climate Law, setting in legal terms the vision of a climate-neutral Europe by 2050. Importantly, they agreed on the collective net GHG emissions reduction target (emissions after deduction of removals) of at least 55 per cent by 2030 compared to 1990, from the previous 40 per cent. Predictably, the Parliament and Council had different views over the mid-term goal, but the two co-legislators managed to find a compromise. The 55 per cent target is lower than the 60 per cent reduction previously voted by the Parliament. However, the Parliament obtained the setup of an independent scientific advisory body made up of 15 scientific experts (the "European Scientific Advisory Board") to advise policymakers on the alignment of EU policies with the objective. Among other interesting news, the deal introduces a process for setting a 2040 climate target – to be proposed by the Commission alongside an indicative greenhouse gas budget for 2030–2050. In addition, the Commission agreed to consider increasing the contribution of carbon sinks in order to increase the EU's ambition to 57 per cent. Beyond 2050, EU negotiators agreed to strive towards reaching negative emissions. It is worth noting, however, that the Council pushed for the longer-term 2050 climate goal to remain an objective for the EU as a group rather than an obligation for single member states. The Commission, as part of the deal, will prepare sector-specific roadmaps charting the path to climate neutrality in different areas of the economy.

Governing the green recovery process

With the EU Parliament's green light in February, €265 billion will be made available for the green transition in the form of grants and loans handed out to EU countries. Each of them has to dedicate at least 37 per cent of its recovery plan budget to climate – a benchmark to be tracked with a new methodology partly based on criteria developed under the EU's green finance taxonomy analysed in the previous dimension. Among those submitted so far, many fail to reach the 37 per cent share. While on the one side Finland's green spending is close to 42 per cent, France is planning to dedicate 50 per cent of its budget to ecological transition and Germany around 40 per cent, on the other Portugal stands at 19 per cent, Poland at 18 per cent and Slovenia at 5 per cent. Unsurprisingly, also the do-no-harm principle covering the whole recovery spending (beyond the 37 per cent devoted to decarbonisation) is the object of very different interpretations across EU member states. However, the Commission will now start appraising the national proposals and will provide country-specific evaluations. In order to guarantee an orderly governance, the 2021 exercise European Semester is temporarily adapted.

Restructuring EU's coal sector

A coal-exit is progressively also becoming an economic imperative: as many units are no longer profitable, as of March half of the coal-fuelled power plants in the EU have either closed or announced a retirement date by 2030. A number of decisions at both the EU and the MS level set a sounder basis for the phasing out of coal, although the road ahead is still very long and strategies remain largely uncoordinated within the Union. EU ambassadors approved the legal text to create the much-awaited 17.5 billion euro EU Just Transition Fund, in an effort to alleviate the economic and social costs triggered by transition in a number of EU regions, which would otherwise be discouraged to undertake the required green steps. Poland, Europe's largest coal producer, will be the biggest beneficiary (3.5 billion), and will be also sustained by the World Bank. In the meantime, Warsaw reached a compromise with trade unions over a plan to close coal mines by 2049 and proposed to nationalise 70 lignite coal units to be handed over to a single state-run National Energy Security Agency (NABE) to enable a progressive shift of the power sector by replacing coal with low-carbon sources. Greece, on its side, confirmed its exit-strategy from coal in the next four years. An interesting parallel debate concerned the much-criticised Energy Charter Treaty, now facing stronger attacks following the intention of the German company Uniper to sue the Dutch government over its planned coal-exit. During the fourth round of the modernisation of the Treaty no progress has been registered, and EU countries are now evaluating options to reform the Treaty or to limit its damage on climate action, including leaving the Treaty.

Dimension 4
Strengthening Security and Diplomacy

Building on the high political momentum to build back greener from the pandemic, the EU and the US want to reduce their own emissions and to cooperate with their partners to build stronger global climate action. Since the No. 3 issue of the Watch when we welcomed the US comeback to the global climate change fight, things have been progressively moving and the two allies have started defining common priorities. In these months, partly pushed by the US-EU-UK leadership, a number of other global leaders have issued emissions reduction targets or announced decarbonisation goals that are more ambitious than previous commitments (e.g., China, South Korea, Canada, Brazil). The EU Green Deal is increasingly becoming part of the EU narrative beyond its borders: since January, the EU has been highlighting the importance of effective multilateral structures and has been trying to talk to hesitant countries (e.g., Australia) as well as to push greener standards into its trade agreements. Broader attention to internationally debated issues (such as adaptation, see dimension 1) allows the EU to discuss and define its position on relevant conversations ahead of COP26.

The EU-US tandem, setting the bar high

The US and the EU – respectively the world's second and third largest emitters of greenhouse gases – are committed to renewing the transatlantic alliance in the effort to tackle climate change. In parallel to the EU deal on a 2030 pledge (see dimension 3), the US announced its ambitious Nationally Determined Contribution – cutting emissions by 50–52 per cent below 2005 levels by the end of the decade. The Biden-Harris administration has simultaneously advanced plans targeting the climate finance architecture, in an effort to mobilise financial resources towards mitigation and adaptation goals and shift money away from carbon-intensive fossil fuel based energy. However, the US will need to regain credibility first and foremost through its domestic action, traditionally weak and insufficient since the Kyoto Protocol 20 years ago. The president is indeed trying to gain bipartisan support for his massive plan to rebuild US infrastructures and reshape its economy. Some other interesting debates are taking place in the country, such as the regulation of methane emissions from the oil and gas industry: Biden identified this as a top priority, and the Environmental Protection Agency is tasked to prepare a related plan by September. In view of COP26, EU VP Timmermans and US Climate Envoy Kerry are increasingly vocal about the renewed transatlantic climate "alignment", although the two will clearly need to elaborate further on their plans. Undoubtedly, they are both looking at China: Europe's foreign ministers called for a global phase-out of unabated coal-fired power generation and an end to the financing of new coal infrastructure in third countries. Jointly with the US Secretary of State Blinken, furthermore, the EU HR Borrell revitalised the US-EU dialogue on China looking forward to a constructive engagement with Beijing. For the moment, despite international tensions on other fronts (e.g., China's repression of its Uyghur Muslim minority), climate talks are advancing. Other relevant transatlantic dialogues have started: US Climate Envoy Kerry and France's Finance Minister Le Maire have talked about a potential EU-US alignment on a common taxonomy for green investments, while EU officials are trying to engage the US to curb aviation emissions. Such rapprochement on climate, however, is happening while the geopolitical saga surrounding Nord Stream 2 becomes thicker and gains stronger attention from President Biden, now thinking of a special envoy to definitively shut down the pipeline.

Extending the Green Deal reach

The coherent pursuit of external policy goals is key to the success of the European Green Deal, according to the Council. Other than the EU's engagement with the US and China, the EU has focused its attention on Africa and on Latin America. It recently called for the creation of an African Green Deal in order to sustain the continent's recovery. President von der Leyen also intends to discuss with African governments how the EU can sustain a number of initiatives, such as the African Green Stimulus Programme or the African Alliance for the Circular Economy. The African continent indeed contributes least to climate change, yet it is impacted more harshly than others and needs support to boost an inclusive green recovery – also a topic of the High-Level Forum on green investment organised by the Portuguese Presidency in April. In the meantime, the EU's future trade policy aims to fully integrate its green vision, and Brussels is still seeking meaningful commitments on climate change and deforestation by Mercosur countries to push the long-awaited trade agreement forward in the Parliament and the Council. A number of voices in EU member states (e.g., Austria and France) have been particularly vocal about their opposition to the Mercosur trade agreement, as it would thwart progress on the Green Deal.

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IN DEPTH

Interview Christian Zinglersen

Director, Agency for the Cooperation of Energy Regulators (ACER).

The Clean Energy for All Package significantly boosted ACER's competencies, particularly on cross-border cooperation. Has the shift from the Energy Union to the Green Deal further empowered the Agency or in any way transformed its mandate?

I would rather say that the new competencies ACER received in the Clean Energy Package further enhance the Agency's ability to contribute significantly to the objectives of the Green Deal and the Energy Union. First, of course by delivering on our core regulatory mandate. In particular, the Agency's most important contribution to the Green Deal objectives is to promote the market integration process through inter alia the implementation of the Network Codes. To put it bluntly, I see increased energy market integration across Europe as a prerequisite for achieving ambitious decarbonisation efforts at lower cost.

We have also stepped up our efforts to provide advice and expertise to Europe's co-legislators on key Green Deal topics. For example, on the future regulation for hydrogen and power-to-gas in the context of the Commission's Hydrogen Strategy for a Climate-Neutral Europe and the Strategy for Energy System Integration; also in the context of revising the TEN-E Regulation on Trans-European Networks for Energy and the Offshore Renewable Energy Strategy.

The path to reach full decarbonisation by 2050 will require significant adaptations to EU energy regulation and infrastructure. What adjustments do you believe will be the most needed, how will the EU electric grid have to be adapted to reach the 2050 climate neutrality target and what role will ACER play in this?

As mentioned, I think longer-term decarbonisation pathways are likely to become even more reliant on a strongly integrated energy market. Ideally, bulk power produced in particularly resource-endowed locations across Europe could be brought to demand centres by means of an expanded *infrastructure – this at the same time as we count on a dynamic interplay of more distributed energy sources. Therefore, the EU energy market will need in my view a mix of significant generation and transmission investment and a more responsive end-use or demand side, integrating multiple assets at the local level.*

Underpinning it all are new instruments addressing the broader regional perspective to matching supply and demand over the long term. For example, the European-wide resource adequacy assessment describing the expected level of security of supply for a ten-year horizon will further inform national resource assessments; the first steps for this were put in place last year as ACER published the methodologies for its development. This area, complex as it is, embodies a simple principle, namely that sharing resources across Europe is the way forward given the priorities facing the EU.

More broadly, for ACER this will mean we will keep focus on implementing the decisions underpinning a more integrated market and monitor that the utilisation of interconnectors is enhanced so they are able to fully play their role. This is key to underline, i.e., that much effort is needed to secure implementation; the box is not "ticked" on the Clean Energy Package quite yet as some may believe.

Furthermore, signalling barriers to the dynamic participation in the market of new and sometimes smaller market players is also crucial. Adding to that a number of front-footed priorities are on our radar screen as well, such as contributing to an efficient hydrogen market across Europe once this comes to scale.

Hydrogen plays an important role in EU energy transition plans, as recognised by ACER's White Paper, and features prominently in the Green Deal. What are the most significant obstacles to its large-scale deployment, and what will be the role of grey and blue hydrogen?

From our perspective, it is important to facilitate a growing hydrogen market in Europe, reaping the benefits of continental-wide trade. Therefore, a key issue is how to provide the regulatory incentives to construct such a market in an efficient way. Several lessons can be drawn from the current gas market – a market that overall functions well, is competitive and liquid in many parts of Europe. Having this broader European-wide perspective is also important at the outset to avoid "lock-in" of more nationally disparate approaches making it more difficult to align common efforts later on.

Repurposing of existing gas pipelines is often presented as one of the ways to accommodate the transportation of significant volumes of hydrogen. In such a set-up, a closer look at the regulatory asset base of the gas transmission system operators is needed to avoid end users paying twice for the repurposed assets that may already have been depreciated. However, *once we start to move to pure hydrogen networks we have to look at how to provide the regulatory incentives to construct such a market in an efficient way.*

In our recent Paper on "When and How to Regulate Hydrogen Networks?" ACER, together with National Regulatory Authorities (NRAs), recommended to consider a gradual approach to the regulation of hydrogen networks based on periodic market analysis and monitoring similar to the regulatory framework for telecommunications. The Paper also recommends clarifying the regulatory principles (such as third-party access) from the outset; foreseeing temporary regulatory exemptions for existing and new hydrogen infrastructure developed as business-to-business networks.

On various preferences for different "shades" of hydrogen, this is less for regulators, I think, to pronounce ourselves on. Suffice it to say that from our perspective, it makes sense to aim for a hydrogen market susceptible to trade across Europe, obviously tackling the emissions footprint, possibly via a combination of the EU Emissions Trading System pricing emissions and guarantees of origin mechanisms.

[When and How to Regulate Hydrogen Networks? in "European Green Deal" Regulatory White Paper series (No. 1) relevant to the European Commission's Hydrogen and Energy System Integration Strategies, 9 February 2021.]

In the past decade, many have proposed to expand ACER's mandate, entrusting it with the task of more directly and incisively coordinating EU energy system planning and management. Considering the ongoing, rapid transformation of the EU energy system, do you foresee an expansion of ACER into such an agency any time soon?

ACER's role has indeed widened since its inception ten years ago, although at the same time its overall set-up – ensuring close coordination with and amongst national regulators – has not changed fundamentally.

Our core focus is of course on cross-border regulatory tasks, which remains difficult to tackle for one single national regulatory authority. Such tasks are increasing and, as a result, ACER is involved in many different issues that are important for market functioning and associated infrastructure needs. At the same time, ACER is tasked to monitor or address other issues relevant for the European energy market. Some notable examples are the methodologies underpinning a European-wide resource adequacy assessment, drawing up best practice reports on transmission and distribution tariff approaches, and assessing barriers to entry of new as well as smaller market players in the member states.

I am confident we have not seen the last evolutionary "etape" of the Agency any time yet. As markets evolve in line with technology innovation *and political priorities, the benefits of more integrated approaches will likely increase, too. Per your specific question, however, I am less sure whether this will materialise in broader energy system planning at some point coming to ACER. That said, our striving for a broader system overview ourselves, being better able to connect longer-term adequacy issues with infrastructure build-out and front-footed development in retail markets increasingly connected to wholesale markets – this I think is key for us.*

Brexit negotiations seem to have been concluded but some sticking points and unresolved issues remain on the table; what has to be done from an energy perspective, and what is the role of ACER in this?

As you know, the Withdrawal Agreement's entry into force on 1 February 2020 marked the departure of the UK from the EU. In the negotiations, the parties have agreed that Northern Ireland will remain part of the single electricity market. Following the withdrawal, a specific trade agreement has been negotiated and agreed at the end of last year, this being the so-called Trade and Cooperation Agreement (TCA).

This agreement provides specific and lighter arrangements to govern the EU-UK energy markets and ACER, as an EU energy regulatory body, will play a role in its implementation. ACER will mainly follow up on the adjusted technical and working arrangements that the Transmission System Operators (TSOs) will develop in due time, and provide an opinion on those, as required by the TCA.

The TCA pointed to two issues in need of tackling here in the short term. First, to agree on a model for electricity trading which is relatively efficient (though falls far short of the current market coupling in the EU), so-called "loose volume coupling". This is entrusted to the TSOs – i.e., ENTSO-E and the UK TSOs – and will be the subject of an ACER and UK NRAs opinion in the autumn. The proposal will be endorsed by Brussels and London (within the so-called Specialised Energy Committee) before its entry into force in spring 2022.

The second is to develop a more structured working relationship between ACER on behalf of the EU and the UK NRAs (Ofgem and Uregni). The TCA envisages such cooperation on a number of different areas, ranging from more "classic" topics such as electricity and gas markets, access to networks, the prevention of market abuse on wholesale electricity and gas markets, the security of electricity and gas supply and infrastructure planning to more "front-footed" issues such as offshore energy and gas decarbonisation and gas quality.

These discussions are progressing well. We aim at submitting a draft arrangement for political approval in Brussels and London, at the earliest in May.

Under the umbrella of the Green Deal, ACER has so far published two white papers, one on hydrogen and one on power-to-gas regulation; what is the next topic the Agency will dedicate its analysis to, and can you give us a preview?

Indeed, together with the Council of European Energy Regulators we have launched a new series of European Green Deal Regulatory White Papers with the aim to deepen understanding on the regulatory aspects of Green Deal issues and to assist decision-makers in assessing various options for legislation. For the next topic, we are considering doing one on methane emissions but it is early to provide a preview.

More generally, as Europe's energy system evolves rapidly and given the increased decarbonisation ambition towards 2030 decided at the highest levels of government in Europe, I am pretty certain there will be more to come. This is because many of the challenges up ahead obviously contain a significant regulatory dimension. As such, we need to engage, providing qualified non-biased food-for-thought for decision-makers, albeit within a modest resource commitment per the means at our disposal.

AP-PEN-DIX

ROAD MAP

The following list includes the major legislative and political actions of the European Green Deal since its launch in December 2019, along with a number of other EU initiatives supporting the Green Deal objectives.

In this roadmap the different elements are framed in one of the four dimensions analysed above – although some might cross-cut more than one dimension. Elements inside each dimension have been further divided into three main blocks: 1) "**Presented**" which regroups all the actions that have been presented by the Commission with main events having occurred since the presentation; 2) "**In the pipeline**" which presents a list of actions that have been already opened for public consultations and are currently waiting to be presented; and 3) "**Yet to be announced**" for all the actions which are still in preparation by the Commission or at the public consultation stage.

Driving the Green Deal

Presented

Proposal for the European Year of Rail 2021

For the promotion of thye use of trains as a safe and sustainable transport.

- *4 March 2020:* Commission presented the proposal
- *11 March 2020:* Committee referral announced in Parliament, 1st reading/single reading
- *12 October 2020:* Vote in committee and committee decision to open interinstitutional negotiations
- *19–21 October 2020:* Committee decision announced in plenary (Rule 71) and decision confirmed by plenary
- *12 November 2020:* European Parliament and Council reached a provisional agreement on declaring 2021 the European Year of Rail
- *14 December 2020:* Debate in Parliament

EU Hydrogen Strategy

For the production and use of clean hydrogen to help reduce the EU economy's carbon emissions.

- *8 July 2020:* Commission presented the strategy and launched the European Clean Hydrogen Alliance
- *10 July 2020:* Internal referral to parliamentary committee(s)
- *26 November 2020:* Committee referral announced in Parliament, 1st reading/single reading
- *11 December 2020:* Council adopted conclusions to rapidly upscale the market for hydrogen

EU Strategy on Energy Systems Integration

To transform the energy system through addressing its circularity, the use of cleaner electricity and the promotion of renewable and low-carbon fuels.

- *8 July 2020:* Commission presented the strategy
- *10 July 2020:* Internal referral to parliamentary committee(s)

Renovation Wave initiative in the building sector

The objective is to double renovation rates in the next ten years and reach higher energy and resource efficiency in buildings.

- *16 September 2020:* In her 2020 State of the Union address, Commission President Von der Leyen proposed to set up a new European Bauhaus as a co-creation space to provide a distinct aesthetic in building renovations
- *14 October 2020:* Commission presented the initiative
- *16 October 2020:* Internal referral to parliamentary committee(s)

Single European Sky

Aimed at a more sustainable and resilient air traffic management

- *22 September 2020:* Commission presented a proposal for an upgrade of the Single European Sky regulatory framework
- *22 October 2020:* Committee referral announced in Parliament, 1st reading/single reading

EU Methane Strategy

To reduce methane emissions, focusing on energy, agriculture and waste sectors.

- *14 October 2020*: Commission presented the strategy
- *16 October 2020:* Internal referral to parliamentary committee(s)

Offshore Renewable Energy Strategy

To harness the potential of offshore renewable energy for a climate neutral future.

- *19 November 2020:* Commission presented the strategy

Trans-European Energy Infrastructure

Review of the guidelines

- *15 December 2020:* Commission presented the initiative

Forest Strategy

Part of the biodiversity strategy and covering the full forest cycle

- *29 January 2021:* Commission presented the strategy

Building a Climate-Resilient Future

A new EU Strategy on Adaptation to Climate Change

- *24 February 2021:* Commission adopted the strategy

In the pipeline

- Sustainable aviation fuels – ReFuelAviation (Fourth quarter 2020)
- FuelEU maritime – green European maritime space (Fourth quarter 2020)
- Low-emission vehicles — improving the EU's refuelling/ recharging infrastructure (First quarter 2021)
- New EU Forest Strategy (First quarter 2021)
- Revision of the Directive on deployment of alternative fuels infrastructure (Second quarter 2021)
- European vehicle emission standards – Euro 7 for cars, vans, lorries and buses (Fourth quarter 2021)

Yet to be announced

- *Reducing Methane Emissions in the Energy Sector (Second quarter 2021)*
- *Revision of the Regulation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (Second quarter 2021)*
- *Revision of Energy Efficiency Directive (Second quarter 2021)*
- *Amendment to the Renewable Energy Directive (Second quarter 2021)*
- *CO2 emissions for cars and vans – revision of performance standards (Second quarter 2021)*
- *Revision of the Regulation on the Trans-European Transport Network (TEN-T) (Second quarter 2021)*
- *Revision of the Directive on Intelligent Transport Systems (Third quarter 2021)*
- *EU 2021 Rail Corridor initiative (Third quarter 2021)*
- *Revision of the Third Energy Package for Gas (Directive 2009/73/ EU and Regulation 715/2009/EU) to regulate competitive decarbonised gas markets (Fourth quarter 2021)*
- *Revision of the Energy Performance of Buildings Directive (Fourth quarter 2021)*

Presented

New Industrial Strategy for Europe

Part of the Commission's objective "A Europe fit for the digital age", this is a comprehensive long-term strategy for Europe's industrial sector.

- *10 March 2020:* Commission presented the strategy
- *13 March 2020:* Internal referral to parliamentary committee(s)
- *3 September 2020:* Commission presented an Action Plan on Critical Raw Materials and the 2020 List of Critical Raw Materials
- *9 September 2020:* Internal referral to parliamentary committee(s) of Critical Raw Materials Resilience initiative
- *29 September 2020:* Launch of Critical Raw Materials Alliance
- *19 October 2020:* Commission Working Programme 2021 envisages updating the new industrial strategy for Europe to take into account the impacts of the COVID-19, the global competitive context, and the acceleration of the twin green and digital transitions. This should be presented in the second quarter of 2021.
- *19 April 2021:* Commission adopted revised EU guidelines on regional State aid.

Circular Economy Action Plan

Focused on the lifecycle of products and materials to ensure a sustainable use of resources and tackle resource-intensive sectors.

- *11 March 2020:* Commission presented the strategy
- *12 March 2020:* Internal referral to parliamentary committee(s)
- *14 September 2020:* Commission published a roadmap on the Sustainable Products Initiative. This is expected to be presented in the fourth quarter 2021.

Farm to Fork Strategy

To address priorities and challenges related to the European food chain.

- *20 May 2020:* Commission presented the strategy
- *29 May 2020:* Internal referral to parliamentary committee(s)
- *19 October 2020:* Agriculture and Fisheries Council adopted conclusions on strategy endorsing the goal of developing a European sustainable food system

Chemicals Strategy for Sustainability (toxic-free EU Environment)

Set of initiatives for a toxic-free environment.

- *14 October 2020:* Commission presented the strategy
- *16 October 2020:* Internal referral to parliamentary committee(s)

Batteries – Modernising the EU

Part of the new Circular Economy Action Plan, it aims at modernising EU legislation on batteries.

- *10 December 2020:* Commission presented the strategy

Action Plan for the development of organic production

To boost production of high quality food with low environmental impact

- *25 March 2021:* Commission presented Action Plan to develop organic production

In the pipeline

- Waste shipments – revision of EU Rules (Second quarter 2021)
- Hazardous waste – updated concentration limits for chemical pollutants (Second quarter 2021)

Yet to be announced

- *Zero Pollution Action Plan for Water, Air and Soil (Second quarter 2021)*
- *Circular Electronics (Fourth quarter 2021)*
- *Industrial Emissions – EU Rules updated (Fourth quarter 2021)*
- *Revision of Directive on Packaging and Packaging Waste (Fourth quarter 2021)*

Presented

Proposal for a Just Transition Mechanism, including a Just Transition Fund, and a Sustainable Europe Investment Plan

Set of initiatives aimed at providing targeted support to alleviate the socio-economic downsides of the green transition.

- *14 January 2020:* Commission presented the proposal
- *29 January 2020:* Committee referral announced in Parliament, *1st reading/single reading*
- *27 May 2020:* Referral to associated committees announced in Parliament
- *6 July 2020:* Vote in committee, 1st reading/single reading
- 15 July 2020: Committee report tabled for plenary, 1st reading/ single reading
- *17 September 2020:* Plenary vote and matter referred back to the committee responsible.
- *April 2021:* Council adopts position on €4.2 billion Single Market programme for 2021-2027.
- *26 April 2021:* Council presidency and the European Parliament's negotiators reach provisional agreement on public sector loan facility to support just climate transition.
- *26 April 2021:* EU Parliament and Council reached agreement on the Commission's proposal for a new Public Sector Loan Facility (PSLF).
- *27 April 2021:* EU Parliament adopts a more reactive and accessible European Globalisation Fund.
- *28 April 2021:* EU Parliament approved €4.2 billion Single Market Programme.
- *29 April 2021:* European Parliament approved deal to invest €5.4 billion in climate and environmental projects.

Proposal on a European "Climate Law'" enshrining the 2050 climate neutrality objective

To set legal targets for achieving climate neutrality in Europe by 2050.

- *4 March 2020:* Commission presented the proposal
- *11 March 2020:* Committee referral announced in Parliament, 1st reading/single reading
- *11 September 2020:* Vote in committee, 1st reading/single reading
- *17 September 2020:* Commission tabled an amendment to the proposed European Climate Law to include the 2030 emissions reduction target of at least 55 per cent
- *22 September 2020:* Committee report tabled for plenary, 1st reading/single reading
- *7 October 2020:* Plenary in Parliament voted the proposed 60

per cent reduction target amendment on the 2030 target

- *15 October 2020:* European Council discussed the climate target plan and decided to return to the issue in December with a view to agreeing a new emissions reduction target for 2030
- *11 December 2020:* EU27 leaders agree to cut greenhouse gas *emissions at least 55 per cent by 2030*
- *31 December 2021:* Commission is expected to draw up an EU GHG budget and consider introducing a target for 2040
- *21 April 2021:* EU Parliament and Council reached provisional agreement on the EU Climate Law.

EU Biodiversity Strategy 2030

Set of initiatives to address biodiversity loss in Europe and advance a framework of actions to lead the 15th meeting of Conference of the Parties on the UN Convention on Biodiversity (CBD)

- *20 May 2020:* Commission presented the strategy
- *26 May 2020:* Internal referral to parliamentary committee(s)
- *21 October 2020:* Commission launches Knowledge Centre to reverse biodiversity loss and protect Europe's ecosystems
- *23 October 2020*: Environmental Council endorsed the objectives of the EU Biodiversity Strategy for 2030 and the nature protection and restoration targets contained therein

2030 Climate EU Target Plan

To set the path towards Europe's climate neutrality in 2050.

- *17 September 2020:* Commission presented the proposal
- *June 2021*: Commission is expected to review, and where necessary propose to revise, all relevant policy instruments to achieve the additional emission reductions

8th Environmental Action Programme (2021–2030)

To replace the previous EU Environmental Action Programme in line with the Green Deal objectives.

- *14 October 2020:* Commission presented the proposal

LIFE Programme 2021–2027

Set of projects funded by the EU to advance environmental and climate objectives.

- *17 February 2020:* EU invests more than €100 million in new LIFE Programme projects to promote a green and climate-neutral Europe
- *1 April 2020:* European Commission launches its 2020 call for project proposals under the LIFE programme
- *16 November 2020:* Commission approved an investment package of more than €280 million from the EU budget for over 120 new LIFE programme projects

European Climate Pact

Initiative for climate action that provides a space for people and organisations to exchange information and practices.

- *9 December 2020:* Commission presented the initiative

EU Taxonomy Climate Delegated Act

To help improve the flow of money towards sustainable activities across the European Union.

- *21 April 2021*: Commission adopted a package of measures comprising: the EU Taxonomy Climate Delegated Act, A proposal for a Corporate Sustainability Reporting Directive (CSRD); six amending Delegated Acts on fiduciary duties, investment and insurance advice will ensure that financial firms, e.g. advisers, asset managers or insurers, include sustainability in their procedures and their investment advice to clients (here).

In the pipeline

- Renewed Sustainable Finance Strategy (Fourth quarter 2020)
- Review of the Non-Financial Reporting Directive (by large companies) (First quarter 2021)
- New EU Strategy on Adaptation to Climate Change (First quarter 2021)
- Deforestation and forest degradation — reducing the impact of products placed on the EU market (Second quarter 2021)
- Revision of the Energy Tax Directive (Second quarter 2021)
- Empowering consumers for the green transition (Second quarter 2021)
- Proposal for a carbon border adjustment mechanism (Second quarter 2021)

Yet to be announced

- *Effort Sharing Regulation (Second quarter 2021)*
- *Revision of the EU Emission Trading System (Second quarter 2021)*
- *New legal framework on the restoration of healthy ecosystems (Fourth quarter 2021)*

Presented

New Strategy with Africa

Under the objective of "A stronger Europe in the world", this aims at intensifying EU-Africa cooperation with a specific focus on the green transition and the digital transformation.

- *9 March 2020:* Commission proposed the strategy
- *2021:* Strategy is expected to be endorsed at the European Union – African Union Summit (postponed from October 2020)

Green Agenda for the Western Balkans

Presented in parallel with the "Economic and Investment Plan for the Western Balkans" and envisaging actions around the same pillars as the European Green Deal.

- *6 October 2020:* Commission adopted a comprehensive Economic and Investment Plan for the Western Balkans and presented Guidelines for the Green Agenda for the Western Balkans
- *10 November 2020:* endorsement of the Green Agenda for the Western Balkans at EU–Western Balkans Summit in Sofia

EU-China Comprehensive Agreement on Investment

To align EU-China trade on principles of intellectual property, technology transfer and sustainable development

- *30 December 2020:* an agreement in principle (not a legal text) has been reached between the EU and China, containing provisions on sustainable development

In the pipeline

- Join Communication on the Arctic (Fourth quarter 2021) v

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